

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Proposing rule making related to child care assistance provider reimbursement rates and providing an opportunity for public comment

The Human Services Department hereby proposes to amend Chapter 170, “Child Care Services,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 234.6 and 2021 Iowa Acts, House File 891.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 234.6 and 45 CFR Part 98.

Purpose and Summary

The Department is proposing to revise the child care assistance provider reimbursement rate ceiling tables. This is being done to comply with federal requirements (45 CFR Part 98) that states must use the most recent market rate survey in establishing child care reimbursement rates. Iowa’s most recent market rate survey was conducted in December 2020.

Proposed reimbursement rates for providers of child care assistance are increased to at least the 50th percentile of the 2020 market rate for child care providers. The proposed base rates for the Quality Rating System (QRS) bonuses reflect increased child care provider reimbursement rates.

The proposed base rates are updated to the 50th percentile and the QRS highest rates to the 75th percentile of the 2020 survey. Previously, the highest rates had been at the 75th percentile based on the 2017 market rate survey.

Fiscal Impact

Increasing the maximum provider rates as shown in the rate tables is estimated to cost \$13,355,730 per year. This cost is expected to be funded by federal Child Care and Development Fund (CCDF) funds carried forward until SFY25, when it is anticipated that the balance of CCDF funds will be fully expended.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 441—1.8(17A,217).

Public Comment

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Department no later than 4:30 p.m. on July 20, 2021. Comments should be directed to:

Nancy Freudenberg
Iowa Department of Human Services
Hoover State Office Building, Fifth Floor
1305 East Walnut Street
Des Moines, Iowa 50319-0114
Email: appeals@dhs.state.ia.us

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Emergency Rule Making Adopted by Reference

This proposed rule making is also published herein as an Adopted and Filed Emergency rule making (see **ARC 5731C**, IAB 6/30/21). The purpose of this Notice of Intended Action is to solicit public comment on that emergency rule making, whose subject matter is hereby adopted by reference.